

BUSINESS OPPORTUNITY

CC-YOSE004-16

Department of the Interior

National Park Service
Yosemite National Park

**A Concession Business Opportunity for
Overnight Accommodations, Food and Beverage, Retail, Auto Fuel,
Recreation Activities, and Related Services
within Yosemite National Park and the El Portal Administrative Site**

This page intentionally left blank

TABLE OF CONTENTS

INTRODUCTION	1
THE NATIONAL PARK SERVICE AND ITS MISSION	1
OVERVIEW OF THE BUSINESS OPPORTUNITY	2
<i>VISITATION INFORMATION</i>	4
YOSEMITE NATIONAL PARK	8
ENABLING LEGISLATION	9
CONCESSION OPPORTUNITY.....	10
DRAFT CONTRACT TERM	12
LEASEHOLD SURRENDER INTEREST	12
REQUIRED AND AUTHORIZED SERVICES: DRAFT CONTRACT	13
OVERVIEW OF CONCESSION FACILITIES AND SERVICES	14
PROJECTED DEPARTMENTAL AND TOTAL GROSS RECEIPTS	19
<i>OVERNIGHT ACCOMMODATIONS</i>	20
<i>FOOD AND BEVERAGE</i>	22
<i>BAR (ALCOHOLIC BEVERAGES AND FOOD AT BARS)</i>	24
<i>RETAIL AND GENERAL MERCHANDISE</i>	24
<i>FUEL SALES AND AUTOMOTIVE SERVICES</i>	26
<i>MOTORIZED INTERPRETIVE TOURS</i>	26
<i>RENTALS</i>	27
<i>GUIDE SERVICES</i>	27
<i>OTHER REVENUE AND OPERATING STATISTICS</i>	27
INVESTMENT ANALYSIS	29
POSSESSORY INTEREST	29
ASSIGNED GOVERNMENT PERSONAL PROPERTY	29
OTHER PROPERTY AND INVENTORY	29
START-UP COSTS	30
DEFERRED MAINTENANCE	30
OTHER DRAFT CONTRACT INFORMATION.....	31
FRANCHISE FEE	31
INSURANCE REQUIREMENTS	31
REPAIR AND MAINTENANCE OF CONCESSION FACILITIES.....	31
<i>CONCESSION FACILITIES</i>	31
<i>DEFERRED MAINTENANCE</i>	32
<i>REPAIR AND MAINTENANCE RESERVE</i>	32
<i>REPAIR AND MAINTENANCE EXPENSE</i>	32
UTILITY EXPENSE	33
HISTORIC STATUS OF CONCESSION FACILITIES AND HISTORIC DISTRICTS.....	33
<i>THE AHWAHNEE HOTEL PROJECT AND TEMPORARY CLOSURE</i>	34
COMPREHENSIVE MANAGEMENT PLANS AND EFFECTS ON DRAFT CONTRACT.....	36
VISITOR TRANSPORTATION SERVICES (VTS)	37
LABOR ENVIRONMENT	37
EMPLOYEE SERVICES AND HOUSING	38
NATURAL HAZARDS, CLIMATE, AND SEASONALITY	38
OTHER COMMERCIAL VISITOR SERVICES	40
OTHER EXISTING AGREEMENTS.....	41
EXISTING CONCESSION CONTRACT.....	42



REQUIRED AND AUTHORIZED SERVICES: EXISTING CONTRACT	42
HISTORICAL GROSS RECEIPTS	43
CHANGES IN VISITOR SERVICES BETWEEN THE EXISTING AND DRAFT CONTRACTS	44
SITE VISIT	46



INTRODUCTION

The National Park Service ("Service") intends to award a concession contract in Yosemite National Park and the El Portal Administrative Site adjacent to Yosemite National Park (collectively herein, the "Park") for concession operations including overnight accommodations, food and beverage, retail, auto fuel, recreation activities, and related services. This Prospectus describes in general terms the existing business operations and the future business opportunities for the facilities and services required by the Service. Offerors must review all sections of this Prospectus and, specifically, the terms and conditions of the Draft Concession Contract CC-YOSE004-16 ("Draft Contract"), including its exhibits, to determine the full scope of a future concessioner's responsibilities under the Draft Contract.

The Service is conducting this solicitation in accordance with the National Park Service Concessions Management Improvement Act of 1998 (Public Law 105-391 and hereafter referred to as "the 1998 Act"), as implemented by regulations in 36 C.F.R. Part 51. The term "Concessioner" as used in the Prospectus refers to the entity that will be the Concessioner under the Draft Contract. The term "Existing Concessioner" refers to DNC Parks & Resorts at Yosemite, Inc., the Concessioner under the current Concession Contract CC-YOSE004-93 ("Existing Contract"). The Existing Contract, as amended, and 36 C.F.R. Part 51 are included as appendices to this Prospectus.



In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, 36 C.F.R. Part 51 will control. In the event of any inconsistency between the description of the terms contained in this Prospectus and the Draft Contract, the Draft Contract will control.

THE NATIONAL PARK SERVICE AND ITS MISSION

In 1916, President Woodrow Wilson approved legislation creating the National Park Service within the Department of the Interior. That legislation stated that Congress created America's National Park Service to:

...conserve the scenery and the natural and historic objects and the wild life therein, and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations. (16 U.S.C. § 1)

Additionally, Congress has declared that the National Park System should be:

...preserved and managed for the benefit and inspiration of all the people of the United States. (16 U.S.C. § 1a-1)

The Service has as its overall mission, the preservation and public enjoyment of significant aspects of the nation's natural and cultural heritage. To learn more about the National Park Service, visit www.nps.gov. This site includes information about the Service's mission, policies, and individual park units.



OVERVIEW OF THE BUSINESS OPPORTUNITY

The Service will join Americans and visitors from around the world in celebrating the centennial of the National Park Service in 2016. Concessioners support the Service's mission by providing the hospitality services that are an important part of a quality visitor experience. Stephen T. Mather, who served as the first Director of the National Park Service, expressed the importance of hospitality services in national parks by saying,

"Scenery is a hollow enjoyment to a tourist who sets out in the morning after an indigestible breakfast and a fitful sleep on an impossible bed."

Park concessioners play a vital role in serving visitors in national parks. Concession contracts offer members of the private sector opportunities to enhance visitors' enjoyment of, and to form lasting connections with, many of our nation's most treasured places.

Within Yosemite National Park, the Concessioner will operate one of the largest hospitality operations within any park in the Service. This Prospectus and Draft Contract represent the Service's highest-grossing concession business opportunity. Annual revenues have ranged between \$129 and \$135 million over the past three years and are projected to continue to grow. The business opportunity provides interested parties a wide range of recreational and hospitality services in one of the nation's most well-known national parks and has the potential to touch the lives of over 4 million recreational visitors on an annual basis. These operations include overnight experiences in the world famous and historic The Ahwahnee Hotel, High Sierra Camps surrounded by the Yosemite Wilderness, the unique Wawona Hotel, and the charming and rustic Curry Village Cabins. The Concessioner under the Draft Contract also will provide climbing lessons on the iconic El Capitan and skiing lessons at Badger Pass, and may also provide bike rides through Yosemite Valley, and rafting experiences.

The Draft Contract provides a unique opportunity for the Concessioner to conduct business in a world-renowned location where visitor demand for services often exceeds the capacity of the operations and with little direct competition from hospitality operations outside the Park.

Yosemite covers approximately 1,169 square miles that stretch across the eastern portions of Tuolumne, Mariposa, and Madera counties and the eastern slopes of the Sierra Nevada mountain chain near Mono County in east central California. Actual 2010 population levels and projected population growth rates for these counties, the state, and the entire U.S. are shown in the following Exhibit.

Exhibit 1. Regional Population Data and Projected Growth Rates

Region	2010	2020	Absolute Change 2010-2020	Annual Growth Rate 2010-2020
Madera	151,136	183,176	32,040	1.9%
Mariposa	18,116	20,359	2,243	1.2%
Mono	14,112	15,010	898	0.6%
Tuolumne	54,952	56,469	1,517	0.3%
California	37,312,510	40,817,839	3,505,329	0.9%
United States	308,745,538	334,123,000	25,377,462	0.8%

Source: State of California Department of Finance

While the population of the state of California is projected to grow at an average annual rate of almost 1% between 2010 and 2020, the populations of some Central Valley counties including Madera and Mariposa are projected to grow at slightly faster rates.



Recent unemployment rates for these counties are presented in the following exhibit.

Exhibit 2. Regional Economic Indicators

	Median Household Income (2012)	Average Unemployment Rate (2013)
Madera	\$47,937	11.4%
Mariposa	\$52,584	8.1%
Mono	\$61,868	8.3%
Tuolumne	\$48,169	9.4%
California	\$61,400	8.9%
United States	\$53,046	7.4%

Source: U.S. Census Bureau & Bureau of Labor Statistics

Unemployment rates in the counties surrounding Yosemite have been significantly higher than state and national unemployment rates in recent years due in part to the contraction of the housing market in the Central Valley of California and the loss of significant numbers of construction jobs.

Transient Occupancy Tax (TOT) receipts are an indicator of lodging demand and the overall health of the local tourism market. TOT receipts in the four counties surrounding the Park increased slightly between 2006 and 2011, as shown in the following table. The impact of the recession in 2009 is apparent in the figures for Mariposa and Mono counties, but hotel tax receipts have rebounded in recent years.

Exhibit 3. Transient Occupancy Tax (in thousands of dollars)

County	2007	2008	2009	2010	2011	2012	Annual Growth 2007-12
Madera	\$1,989	\$2,320	\$2,304	\$2,407	\$2,562	\$3,336	10.9%
Mariposa	\$9,310	\$10,313	\$9,679	\$11,406	\$10,632	\$11,285	3.9%
Mono	\$12,148	\$13,204	\$11,773	\$12,783	\$13,456	\$12,327	0.3%
Tuolumne	\$1,591	\$1,787	\$1,889	\$1,669	\$2,164	\$2,588	10.2%

Source: U.S. Census Bureau & Bureau of Labor Statistics

Gateway Communities

Business in several gateway communities located close to the Park's five entrances offer goods and services including lodging, food and beverage, retail, fuel, and recreational opportunities to visitors. Aside from their proximity to the Park, the gateway communities have small resident populations (ranging from around 200 to 10,000) and occur in rural, unincorporated areas. The high volume of visitors to Yosemite directly affects the local economies of the gateway communities and surrounding areas.



Exhibit 4. Gateway Communities

Community	County	Distance from Park
El Portal	Mariposa	3 miles to Arch Rock Entrance
Fish Camp	Mariposa	2 miles to South Entrance
Groveland	Tuolumne	25 miles to Big Oak Flat Entrance
Lee Vining	Mono	12 miles to Tioga Pass Entrance
Mariposa	Mariposa	35 miles to Arch Rock Entrance
Midpines	Mariposa	25 miles to Arch Rock Entrance
Oakhurst	Madera	14 miles to South Entrance

Source: U.S. Census Bureau & Bureau of Labor Statistics

Lodging Availability in Gateway Communities

The seven gateway communities surrounding the Park offer a wide variety of lodging alternatives, such as RV campsites, boutique bed and breakfasts, and large standardized chain motels. As the demand for lodging in the Park often exceeds the capacity of the lodging facilities required under the Draft Contract, the facilities in the gateway communities often accommodate the overflow of visitors to the area. The communities of Mariposa, Oakhurst, and Groveland-Big Oak Flat offer the widest range of accommodations in terms of numbers and types of lodging facilities. Midpines primarily offers rustic and economy lodging options. Almost all lodging facilities in the seven communities operate at full or almost full capacity during peak season (between the months of May and September). During the off-peak season (generally from November to March), occupancy rates fall to about 25% to 30%, although they tend to increase to around 50% to 60% during the winter holiday season.

Food and Beverage Availability in Gateway Communities

While gateway communities are close to Park entrances, long travel distances within the Park place most visitors at a distance from gateway services. Consequently, visitors, whether they are staying overnight in the Park or just visiting for the day, often rely on the convenience of food services offered within the Park.

Visitation Information

The 2009 Yosemite National Park Visitor Study presents the most recent and comprehensive data on the demographics of Yosemite National Park visitors. The complete 2009 Yosemite National Park Visitor Study is included as an appendix to this Prospectus.

As shown in the following Exhibit, from 2004 to 2013, the Park experienced an increase in total annual visitation of 12.5%. Despite challenges such as road closures caused by natural disasters, the Park saw a moderate increase of 4.6% in visitation from 2004 to 2008. Between 2008 and 2012, visitation grew at an average rate of 3% a year. The Park saw a decline in visitation in 2013; however this decline is primarily attributed to out of the ordinary events such as the Rim Fire and the Federal Government shutdown in October.

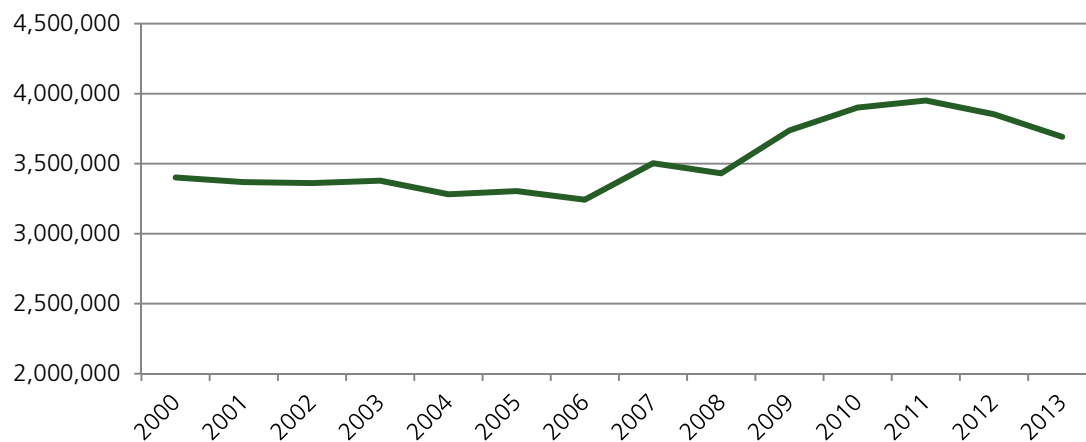


Exhibit 5. Yosemite National Park Annual Recreation Visitation, 2004-2013

Year	Recreation Visitation	% Change
2004	3,280,911	
2005	3,304,144	0.7%
2006	3,242,644	-1.9%
2007	3,503,428	8.0%
2008	3,431,514	-2.1%
2009	3,737,472	8.9%
2010	3,901,408	4.4%
2011	3,951,393	1.3%
2012	3,853,404	-2.5%
2013	3,691,191	-4.2%

Source: National Park Service

The following chart presents the same information above graphically.

Exhibit 6. Yosemite National Park Annual Recreation Visitation, 2000-2013

Source: National Park Service

Seasonality of Visitation

The Park is open to visitors year round, although the Tioga Road and the Glacier Point road beyond Badger Pass Ski Area close during the late fall, winter, and early spring seasons.



Some concession services close seasonally, as described in the “Park Specific Operating Conditions” section of this Business Opportunity. Park visitation is highest in the summer and lowest during the winter months. The following exhibits display monthly Park visitation in 2013.

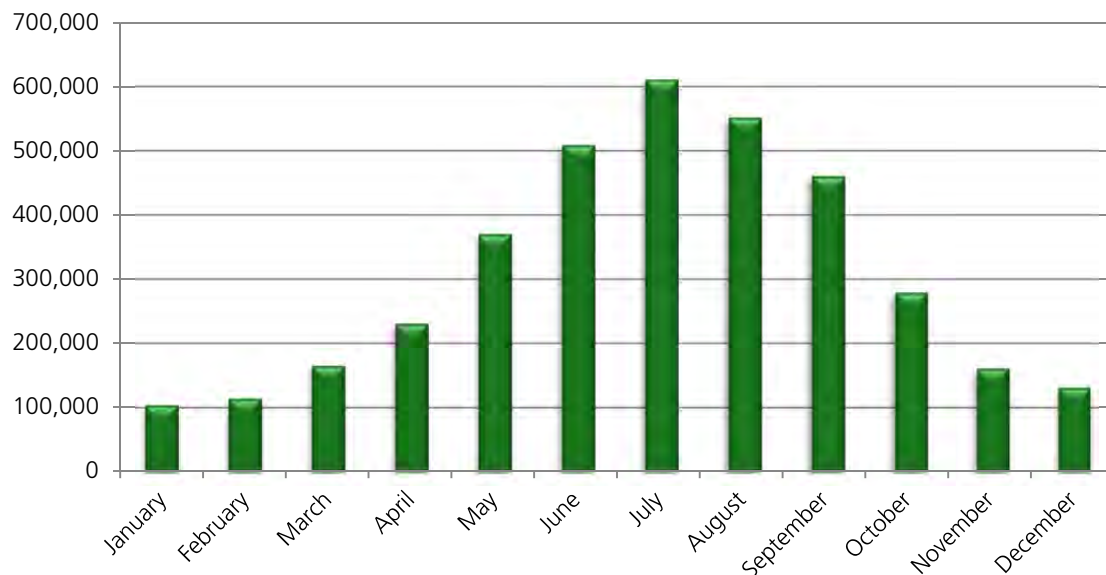
Exhibit 7. Yosemite National Park Monthly Recreation Visitation, 2013

Month	Visitation	% of Total Annual Visitation
January	103,910	2.82%
February	114,440	3.10%
March	165,409	4.48%
April	231,178	6.26%
May	370,422	10.04%
June	508,941	13.79%
July	611,538	16.57%
August	552,137	14.96%
September	460,855	12.49%
October	279,526	7.57%
November	161,356	4.37%
December	131,479	3.56%

Source: National Park Service

The following figure presents the information above graphically.

Exhibit 8. Yosemite National Park Monthly Recreation Visitation, 2013



Source: National Park Service

Origin of Park Visitors

The 2009 Yosemite National Park Visitor Study provides information about the origin of visitors who travel to the Park during the summer and winter seasons. As displayed in the following table, the majority of visitors



during both seasons are U.S. residents, representing 91% of all visitors in the winter survey and 75% in the summer survey. Within the U.S. visitor segment, the majority are from California, comprising 89% in the winter and 62% in the summer. Summer months tend to draw a wider range of visitors from across the nation, as well as a greater number of international visitors. The exhibit below reflects the top five origins for each category in the study. Please note the numbers do not reflect the Area's total visitation as they only demonstrate the top five locations from each category.

Exhibit 9. Origin of Park Visitors

Winter 2008 Study		Summer 2009 Study	
United States	International	United States	International
91%	9%	75%	25%
Top States of Origin	Top Countries of Origin	Top States of Origin	Top Countries of Origin
California – 89%	Germany – 9%	California – 62%	U.K. – 14%
Washington – 1%	Korea – 9%	Texas – 2%	Germany – 13%
Nevada – 1%	Taiwan – 9%	Florida – 2%	France – 11%
Oregon – 1%	England – 9%	New York – 2%	Belgium – 11%
Florida – 1%	Canada – 9%	Virginia – 2%	Canada – 7%

Source: National Park Service



YOSEMITE NATIONAL PARK

"It is by far the grandest of all the special temples of Nature I was ever permitted to enter." —John Muir

The Park's *General Management Plan* states two equal purposes for Yosemite National Park:

The first is preservation of the resources that contribute to Yosemite's uniqueness and attractiveness—its exquisite scenic beauty; outstanding wilderness values; a nearly full diversity of Sierra Nevada environments, including the very special sequoia groves; the awesome domes, valleys, polished granites, and other evidences of the geologic processes that formed the Sierra Nevada; historic resources, especially those relating to the beginnings of a national conservation ethic; and evidences of the Indians that lived on the land. The second purpose is to make the varied resources of Yosemite available to people for their individual enjoyment, education, and recreation, now and in the future. (1980 General Management Plan, pg. 5)



Yosemite National Park is a dynamic environment that has been, and continues to be, shaped by the forces of nature. These natural processes, such as flood, fire, wind and rockfall, combine to create a unique environment for visitors.

Yosemite, which boasts nearly 95 percent designated wilderness, is a 195-mile escape from urban San Francisco or a 313-mile journey from populated Los Angeles. The Park's expansive 747,956 acres are home to hundreds of wildlife species and thousands of plant species. Designated a World Heritage Site in 1984, Yosemite is known for its granite cliffs, waterfalls, clear streams, giant sequoia groves, and biological diversity. Two Wild and Scenic Rivers, the Tuolumne and the Merced, begin within Yosemite and flow west into the Central Valley of California. Visitors experience the Park through 800 miles of hiking trails and 350 miles of road.

Yosemite is home to more than 400 species of vertebrates, including fish, amphibians, reptiles, birds, and mammals. Insects abound as well, with the recent discovery of two species not believed to exist anywhere else in the world. The high diversity of animal species partially is due to the elevation gradient and topographic variability of the Park.

Vegetation changes from oak woodlands to chaparral scrublands to lower montane to upper montane to subalpine to alpine. Those who step into the alpine zone can see western junipers and krummholtz whitebark pines.

Yosemite is a scientific laboratory of hydrology, geology and glaciology, among other sciences. Visitors fall in love with the Park's many waterfalls, including 2,425-foot Yosemite Falls, which ranks as the tallest in North America, flowing down into the scenic Valley meadows. Hikers take notice of the enormous granite mountains, from the 8,842-foot Half Dome to the 13,114-foot Mt. Lyell—Yosemite's tallest peak. Several glaciers, including the McClure and Lyell, still are intact.



Environmental conditions generally originating outside the Park, such as air quality and climate change, affect Yosemite. Even so, Yosemite's environment is healthy in many ways. Visitors see the breath-taking scenic vistas, enjoy the natural soundscape and feel as though they could almost touch the dark night sky above.

For tens of thousands of years, humans have changed, and have been changed by, the place now known as Yosemite. The Ahwahneechee lived in the area for generations, followed by the arrival of Europeans in the mid-1800s. The rugged terrain challenged many early travelers, with just a few—only 650 from the mid-1850s to mid-1860s—making the journey to Yosemite Valley by horseback or stagecoach. By 1907, construction of the Yosemite Valley Railroad from Merced to El Portal eased the journey, thereby increasing visitation. Visitors learn from the stories of those who walked Yosemite's trails in the past, allowing appreciation of their lasting footprints that led to conscious preservation.

Seven culturally associated tribes descend from the people who first called this area home. As Europeans arrived in the mid-1800s, violent disruption ensued that displaced the native populations. Early white settlers arrived and hosted writers, artists, and photographers who spread the fame of "the Incomparable Valley" throughout the world.

ENABLING LEGISLATION

The purpose of the Park was articulated by a series of legislative actions. On June 30, 1864, the United States granted Yosemite Valley and the Mariposa Big Tree Grove to the State of California to be "held for public use, resort, and recreation" to be "inalienable for all time." On October 1, 1890, Congress passed an act establishing Yosemite National Park as a "forest reservation" to preserve and protect "from injury of all timber, mineral deposits, natural curiosities or wonders" within the area of the Park and to retain them in their "natural condition." The act excluded Yosemite Valley and the Mariposa Big Tree Grove, leaving them under the jurisdiction of the state of California as provided for in the act of 1864. A Joint Resolution of Congress on June 11, 1906, accepted the transfer of Yosemite Valley and the Mariposa Big Tree Grove from the state of California, to the federal government, subject to the provisions in the 1890 Act.



Additional information on the Park is located at www.nps.gov/yose/index.htm.

CONCESSION OPPORTUNITY

Most of the concession operations occur in Yosemite Valley, including the majority of overnight accommodations and employee housing spaces and, consequently, the sources of the largest share of revenue. The Concessioner, however, will operate in several other locations throughout the developed areas of the Park, as well as in the backcountry. In addition to the key locations identified on the following map—Crane Flat, White Wolf, Tuolumne Meadows, Badger Pass, Glacier Point, and Wawona—the Concessioner also will operate the High Sierra Camps in the backcountry. The Concessioner also will operate the El Portal service station, located in the El Portal Administrative Site. Each of these locations presents unique opportunities and challenges related to visitation patterns, natural features, climate, and space allocated to the Concessioner.



There are five entrances to the Park, four of which provide access to Yosemite Valley. The four entrances leading to Yosemite Valley include Big Oak Flat Entrance, Highway 120 west from Modesto and Manteca, Arch Rock Entrance, Highway 140 west from Merced, passing through El Portal Administrative Site, South Entrance, Highway 41 north from Fresno, and Tioga Pass Entrance, Highway 120 east from Lee Vining and Highway 395. Additionally, the fifth entrance to the Park is the Hetch Hetchy Entrance along Hetch Hetchy Road from Evergreen Road west of the Big Oak Flat Entrance. This entrance provides no direct access to Yosemite Valley or to any operations under the Draft Contract.

The exhibits below provide a map identifying the locations of all the Concession Facilities within the Park and El Portal Administrative Site as well as a highlighted map of Yosemite Valley.



Exhibit 10. Location of Concession Facilities in Yosemite National Park

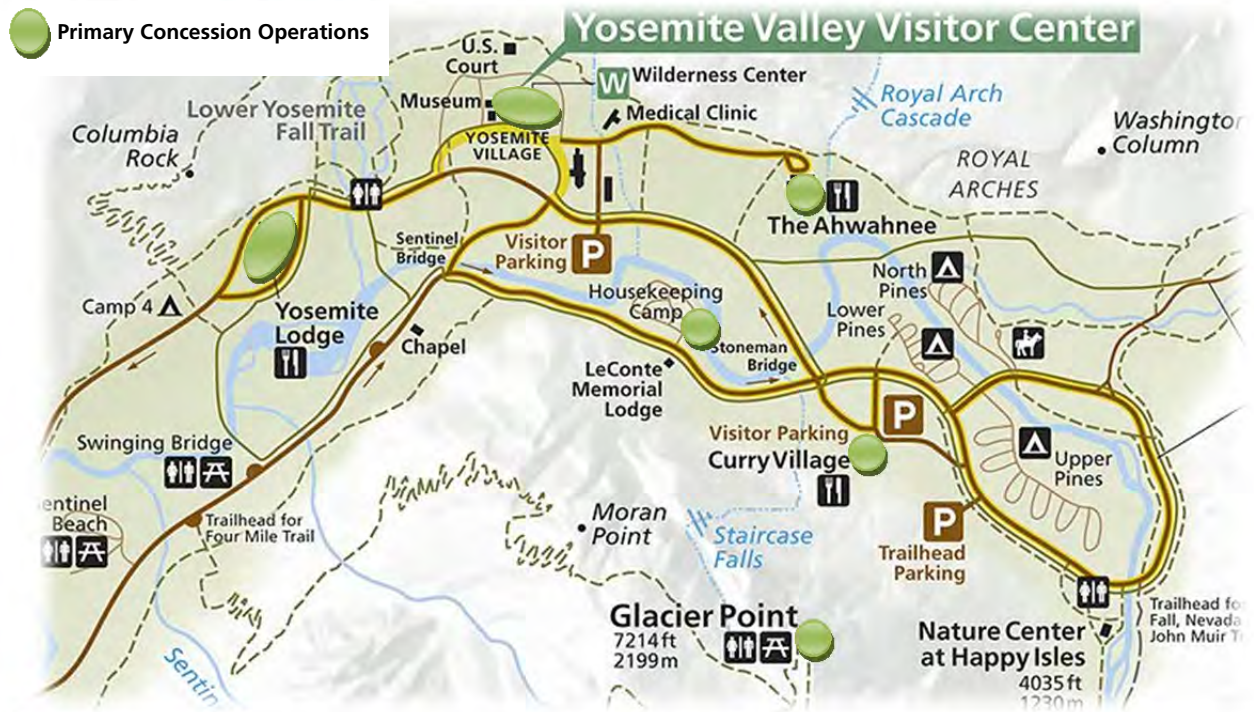


Source: National Park Service



The following map presents a close-up view of concession locations within Yosemite Valley. The key Valley lodging operations include The Ahwahnee Hotel, Yosemite Lodge, Curry Village, and Housekeeping Camp. The Concessioner will provide a wide variety of retail and food and beverage services at these lodging locations as well as in Yosemite Village. Shuttle service, tours, and many recreational services also are centered in the Valley. Support services and facilities, including offices, garage, warehousing, maintenance operations, and the majority of employee living quarters, are currently located in Yosemite Valley.

Exhibit 11. Location of Concession Facilities within Yosemite Valley



Source: National Park Service

DRAFT CONTRACT TERM

The term of the Draft Contract will be for fifteen (15) years with an estimated beginning date of March 1, 2016. The effective date of the Draft Contract is subject to change prior to award if determined necessary by the Service. In such an event, the Service will change the expiration date of the Draft Contract to continue the same term length from any adjustment to the effective date.

LEASEHOLD SURRENDER INTEREST

The Draft Contract provides the Concessioner will obtain "leasehold surrender interest" (LSI) in capital improvements it constructs in accordance with the terms of the Draft Contract. The Draft Contract in general defines "capital improvements" as the construction of "structures" and "major rehabilitations," and the replacement or installation of fixtures and non-removable equipment as these terms are defined in the Draft Contract including Exhibit A.

The Service currently is settling and purchasing the LSI in the El Portal Gas Station Concession Facilities, included by Amendment to the Existing Contract, from the prior concessioner. Therefore, the Concessioner will have no initial LSI as of the effective date of the Draft Contract. In addition, the Service anticipates the Concessioner will not construct new structures or perform major rehabilitations of existing Concession



Facilities during the term of the Draft Contract. The Service anticipates the Concessioner will replace fixtures in Concession Facilities that may be eligible for LSI.

Sections 15 and 16(a) of Exhibit A to the Draft Contract set forth an elective LSI Waiver Provision. The Service believes the selection of the LSI Waiver Provision will reduce the administrative burden of the Service and the Concessioner with respect to approval of fixture replacements and approval and tracking of related costs and depreciation. The Service estimates fixture replacement expenditures to average approximately \$300,000 per year or an estimated total of \$4.5 million over the term of the Draft Contract.

The evaluation of proposals will be neutral with respect to the selection of the LSI Waiver Provision. That is, selection or non-selection by an Offeror of the LSI Waiver Provision will have no effect on the evaluation score. See election in the Offeror's Transmittal Letter, part of the Proposal Package.

REQUIRED AND AUTHORIZED SERVICES: DRAFT CONTRACT

The following table provides a list of the Required and Authorized Services as described in the Draft Contract which incorporates any changes as a result of the MRP or TRP noted above.

Exhibit 12. Draft Contract YOSE004-16 Required Services

Required Service	Location
Overnight Accommodations	The Ahwahnee Hotel, Curry Village, High Sierra Camps (Glen Aulin, May Lake, Merced Lake, Sunrise, and Vogelsang), Housekeeping Camp, Tuolumne Meadows, Wawona, White Wolf, and Yosemite Lodge
Food and Beverage	The Ahwahnee Hotel, Badger Pass, Curry Village, Glacier Point, High Sierra Camps (Glen Aulin, May Lake, Merced Lake, Sunrise, and Vogelsang), Tuolumne Meadows, Wawona, White Wolf, Yosemite Lodge, and Yosemite Village
Retail	The Ahwahnee Hotel, Badger Pass, Crane Flat Store, Curry Village, Glacier Point, High Sierra Camps (Glen Aulin, May Lake, Merced Lake, Sunrise, and Vogelsang), Housekeeping Camp, Tuolumne Meadows, Wawona Hotel, White Wolf Lodge, Yosemite Lodge, and Yosemite Village
Visitor Transportation Services (VTS)	Yosemite Valley
Automotive Services and Fuel Sales	Crane Flat, El Portal Administrative Site, Wawona, and Yosemite Valley (emergency fuel sales and services only)
Motorized Interpretive Tours	Tours throughout the Area
Interpretive Services	Various locations throughout the Area
Mountaineering School and Guide Services	Badger Pass, Curry Village, and Tuolumne Meadows
Equipment Rentals	Badger Pass, Crane Flat, Curry Village, and Wawona
Public Showers	Curry Village and Housekeeping Camp
Laundry	Housekeeping Camp
Ski and Snow Related Services	Badger Pass
Golfing	Wawona
Tennis Courts	Wawona
Horse and Mule Operations	Tuolumne Meadows, Wawona, Yosemite Valley
Swimming Pools	The Ahwahnee Hotel, Curry Village, Wawona Hotel, and Yosemite Lodge



Automated Teller Machines (ATM)	The Ahwahnee Hotel, Badger Pass Day Lodge, Crane Flat Store, Curry Village, Tuolumne Meadows, Wawona Hotel, Yosemite Lodge, and Yosemite Village
Vending	Various locations throughout the Area
<i>Source: National Park Service</i>	

Exhibit 13. Draft Contract YOSE004-16 Authorized Services

Authorized Service	Location
Overnight Accommodation	Glacier Point
Retail	On-line
Visitor Transportation Services (VTS)	
- Badger Pass Shuttle	Tuolumne Meadows and Yosemite Valley to Badger Pass
- Tuolumne Meadows Shuttle	
Raft Rentals	Curry Village
Bicycle Rentals	Curry Village and Yosemite Lodge
Ice Rink	Curry Village
Ski and Snow Related Services	Crane Flat, Curry Village, and Wawona
Public Showers	Tuolumne Meadows Lodge, Wawona Hotel, White Wolf Lodge
Hair Care	Yosemite Village
Child Care	Badger Pass
Kennel Services	Yosemite Valley
Massage Services	The Ahwahnee Hotel
Internet	Various locations throughout the Area
Luggage Storage	Various locations throughout the Area
Special Events	Various locations throughout the Area
<i>Source: National Park Service</i>	

OVERVIEW OF CONCESSION FACILITIES AND SERVICES



The following section provides a detailed overview of each location that includes concession operations, providing detailed descriptions of the services and facilities currently provided within the locations. Additionally, the Service includes a description of the services affected by the Merced River Plan or Tuolumne River Plan (in bold), identifying which services or facilities are being adjusted, how each is adjusted, and when the Service expects the adjustments to take place.

The Ahwahnee Hotel, a National Historic Landmark located near the eastern end of Yosemite Valley, is an American Automobile Association (AAA) rated four-diamond property. The design of the



building highlights its natural setting.

The Ahwahnee Hotel provides a variety of services, including full-time concierge, room service, and maid service with afternoon turndowns. The dining room, with a 34-foot high ceiling and towering windows, provides views of the surrounding forest and valley walls and is a popular visitor destination. Dining room services include breakfast, lunch, dinner, special events, and functions.

The Ahwahnee Hotel also includes a bar offering alcoholic beverages and limited food service, a high-end gift shop, and a shop specializing in fine chocolates and other confections.

Badger Pass Ski Area, a great place for beginning skiers to learn to ski or test their newly acquired skills and for families to enjoy a day in the snow, is located on the Glacier Point Road. Badger Pass offers downhill and Nordic skiing, equipment rentals, guide services, and instruction. Other services include quick-service food and beverage operations in two separate locations within the ski lodge, a counter bar offering beer and wine, and a sporting shop offering sporting goods, souvenirs, and other merchandise. Limited childcare services are available to customers of the ski area.

Crane Flat, located off Highway 120 coming into the Park from the North, is a popular stop for those travelling Tioga Road. This site offers automotive services, a fueling station, and a small grocery and gift store.



Curry Village, also known as “Camp Curry,” opened by David and Jennie Curry in 1899, offers a variety of overnight accommodations for all levels of national park enthusiasts. This operation features lodging in canvas tents, hard-sided cabins, and cottage rooms all located in the shadow of Glacier Point.



Dining options include an indoor pavilion, a food deck and bar currently offering pizza, a fast food grill, quick service coffee and snack stand located inside the pavilion. Curry Village provides a number of opportunities for retail sales, including a gift shop and general store and the Mountain Shop featuring camping and outdoor goods and apparel. Other services located in Curry Village include rental of rafts, bicycles, skis, camping equipment, a Mountaineering School, a seasonal ice-skating rink, swimming pool, amphitheater, and a tour and activities desk. The



Yosemite Valley Stables (for resupply of the High Sierra Camps only) and kennels also are located near Curry Village.

By year seven of the Draft Contract, the Service may construct 52 hard-sided overnight accommodation units and, upon completion, remove 52 of the canvas tent units (total reduction of canvas tent units during the term of the Draft Contract will be 73). The adjustment from canvas to hard-sided cabins will have an effect on the Franchise Fee, as discussed in the Franchise Fee section below. The Draft Contract authorizes the placement of a temporary, mobile ice rink in the Curry Village area, and, should the Concessioner choose to provide the service, the Concessioner with Service approval will determine the new location. In addition, the Concessioner will determine new point-of-sale locations outside the Merced River corridor if the Concessioner chooses to provide raft and/or bicycle rentals as authorized by the Draft Contract.

El Portal Service Station, located off Highway 140 coming to the Arch Rock Entrance Station, offers year-round automotive services and a fueling station.

Glacier Point, an overlook with a commanding view of Yosemite Valley, Half Dome, Yosemite Falls, and Yosemite's magnificent high country, provides a gift shop and snack bar open from late spring through the first significant snowfall. During the winter, the building serves as a cross-country ski hut and includes food service.



High Sierra Camps (Glen Aulin, May Lake, Merced Lake, Sunrise, and Vogelsang) are five unique backcountry camps, accessible via foot or stock, spaced 5.7 to 10 miles apart along a loop trail in Yosemite's beautiful High Country. The High Sierra Camps provide visitors an exceptional opportunity to explore some of Yosemite's vast wilderness without the burden of carrying your camp on your back. Each camp features rustic canvas tent cabins. Visitors also receive breakfast and dinner in dining tents and sack lunches. Other services

include limited merchandise sales, packing service, guided hikes, and saddle trips.

Housekeeping Camp, centrally located in Yosemite Valley along the Merced River, this area provides a popular choice for many visitors who desire a camping-like experience without the need to bring their own equipment. The camp features units with electricity consisting of three concrete walls, a concrete floor, double canvas roof, and a fourth curtained wall. The curtain separates the sleeping area from a covered patio area furnished with a picnic table, bear-proof food storage container, and a privacy fence. Housekeeping Camp is the only lodging option in Yosemite where guests may prepare food on-site. Concession operations located nearby include a camp store featuring grocery and camping supplies, a laundromat, and public showers.

During the term of the Draft Contract, the Service will remove 34 units (17 buildings) from the total number of Housekeeping Camp units available leaving a total of 232 units. The Service will remove these units as funding is available and will coordinate with the Concessioner prior to taking them off-line.

Tuolumne Meadows Lodge is located near the largest sub-alpine meadow in the Sierra Nevada at an elevation of 8,775 feet on the Tioga Road. Guests enjoy overnight accommodations in canvas tents and a dining room providing breakfast and dinner, with boxed lunches available. The lodge also has some limited merchandise for sale. Other concession services in the Tuolumne Meadows area include a grocery and gift store, a quick-service grill, guide services, and a stable used only for the resupply of High Sierra camps.

Wawona Hotel, a National Historic Landmark, is a Victorian-era historic hotel located four miles from Yosemite's southern entrance and features rooms with and without baths. The hotel dining room includes a veranda with outdoor seating and offers breakfast, lunch, and dinner. Visitors may buy limited souvenirs at the front desk.

Guests may take advantage of an on-site swimming "tank" built in 1918, tennis courts, and the adjacent historic golf course. Concession operations near the hotel include a gift and grocery store, automotive services and fueling station, gift shop at Mariposa Grove of Giant Sequoias, and stables offering trail rides to visitors.



White Wolf Lodge provides services during the summer season, featuring tent cabins and cabins with bath in an idyllic location off Tioga Road approximately 30 miles from Yosemite Valley. The dining room offers family-style dining for breakfast and dinner, with boxed lunches available. The lodge also has limited camping supplies, retail food items, health and beauty aids, apparel, and other retail items.

Yosemite Lodge, the closest lodging to Yosemite Falls, features standard hotel rooms, lodge rooms, and larger family rooms. A central complex features several food and beverage services and retail options. The



Mountain Room restaurant offers upscale casual dining, while the Mountain Room Bar features a limited food service menu. The Food Court, open for breakfast, lunch, and dinner, offers buffet style items and grab-and-go options. Retail at Yosemite Lodge includes a gift shop featuring souvenirs and groceries. In addition, this location features an outdoor amphitheater for interpretive programs, a swimming pool, and spaces for meetings and banquets. Concession operated tours and other recreational activities, including bicycle rentals, are centered at the lodge as well.

At the beginning of the Draft Contract, the Service will permit the Concessioner to repurpose the old "Nature Shop" space adjacent to the Food Court as office space, extended kitchen, additional seating for the food court, or for use as luggage storage. In addition, if the Concessioner chooses to provide bicycle rentals, it will need to establish a new location outside the Merced River corridor for such operations.

Yosemite Village, often considered the heart of the Valley, offers additional food and beverage service and retail opportunities. Currently there is a fast food grill, as well as a deli, café, and pizza restaurant located in the Degnan's Building. Retail options include the Village Store (groceries, souvenirs, and apparel). The Yosemite Village Concessioner Garage provides shuttle, tram, and tour bus maintenance for the visitor transportation system; concessioner fleet maintenance; and emergency automotive services to the public.

Yosemite Village is a hub of visitor and employee activity with the Yosemite Valley Visitor Center and day use parking located nearby. Significant numbers of pedestrians pass through the area every day, particularly during the peak season. The Degnan's building, located in the center of Yosemite Village, has nearly 26,000 interior square feet on two floors. The Concessioner will use the entire facility for food services with an interior seating capacity of approximately 290 seats and additional exterior seating. The Existing Concessioner operates a year-round delicatessen and grab-and-go service, a seasonal grab-and-go outlet, a retail store, a summer seasonal fast food service pizza restaurant, and a winter employee-only pizza restaurant. The Service wants the Concessioner to continue food and beverage operations that adjusts between summer and winter operations, including providing the winter employee-only food and beverage option.

At the beginning of the Draft Contract, the Service will eliminate the retail space within the Degnan's building, providing the Concessioner with additional space available for the redesign of this area (e.g., expand food and beverage quick service options, increase interior seating capacity, etc.). During the term of the Draft Contract, the Service will close the Yosemite Village Concessioner Garage and move these services to an alternative location.



Visitor Transportation Service (VTS): The Concessioner will provide complimentary VTS to Park visitors to promote visitor use of Concession Facilities by reduction of related traffic congestion. Shuttle bus transportation will be provided along the following designated routes:

- Yosemite Valley Shuttle Bus: year-round with stops at various sites around and within the eastern Yosemite Valley
- El Capitan Shuttle Bus: typically offered from Memorial Day weekend to September with stops at El Capitan, Four Mile Trailhead, and the Valley Visitor Center

The Existing Concessioner employs managers, drivers, mechanics, and support personnel on a year-round basis. The Service owns twenty-two (22) hybrid-diesel and three diesel shuttle buses, which are assigned to the Concessioner for use exclusively for visitor transportation under the Draft Contract. The Existing Concessioner owns or leases additional buses. The Service takes into account the Concessioner's expenses in providing the VTS under the NPS rate approval program. Under this program, the Service permits the Concessioner to include a VTS addition to its approved rates for visitor use of Concession Facilities and services to recover the costs of providing the VTS, because the comparables against which rates are determined usually do not provide as extensive a transportation amenity to their guests. The Service reviews the VTS operating expenses annually as part of the process for setting the rate schedule to support the VTS. Additional information regarding the VTS is located in Contract Exhibit B-6 VTS Operating Plan.

Under the Draft Contract, the Concessioner may operate the Badger Pass and/or Tuolumne Meadows Shuttle Buses as authorized services. If the Concessioner chooses to provide either or both of these shuttle services, it may charge a fee and cannot operate either shuttle service as part of the complimentary VTS system.

Guided Services are offered at various locations throughout the Park, weather conditions permitting, for visitors interested in hiking, backpacking, Nordic skiing, and fly-fishing. Mountaineering guide services will be provided at the Yosemite Mountaineering School at both Curry Village and the Tuolumne Meadows area.

At the beginning of the Draft Contract, the Tuolumne Meadows Mountaineering School will be relocated to the Tuolumne Meadows area.

Equipment Rentals, specifically camping equipment, are offered at various retail outlets throughout the Park.

Motorized Interpretive Tours include six guided bus and tram tours that stop at various sites of interest within the Park and provide information concerning the Park's natural, biological, and historical environment.

PROJECTED DEPARTMENTAL AND TOTAL GROSS RECEIPTS

The following sections describe the various operations by location and service type. This section also presents information regarding basic financial, utilization, and operating data for the past three years in order to assist Offerors in developing projections for future operations associated with the Draft Contract. Additionally, the Service has included some future operating projections.

Please note that these projections are estimates based on Service assumptions developed considering historic operating data, industry standards, economic conditions, and comparable and competitive facilities. The Service does not guarantee these projections will materialize and assumes no liability for the accuracy of the projections presented. Offerors must compile and present their own financial projections based on independent assumptions and industry knowledge.



Exhibit 14. Projected Departmental and Total Gross Receipts (\$ millions)

Department	2016
Overnight Accommodations	\$51.9 - \$57.3
Food & Beverage Service	\$28.8 - \$31.8
Food & Beverage Service (Bar)	\$4.4 - \$4.9
Retail & General Merchandise	\$31.5 - \$34.8
Fuel Sales and Automotive Services	\$6.6 - \$7.3
Motorized Interpretive Tours	\$2.9 - \$3.2
Guide Services	\$1.2 - \$1.3
Equipment Rentals	\$0.40 - \$0.45
Horse and Mule Operations	\$0.34 - \$0.38
Ski and Snow Related Services	\$0.79 - \$0.87
Vending	\$0.29 - \$0.32
Total Gross Receipts	\$129.0 - \$142.6

Source: National Park Service

Overnight Accommodations

The following table provides detailed information regarding the number of rooms included in each area providing overnight accommodations and the type of accommodations, ranging from upscale to rustic accommodations. Additionally, the Service has identified what, if any, rooms will be reduced and when per the Merced River Plan or Tuolumne River Plan.



Exhibit 15. Overnight Accommodations in the Draft Contract

Location	Details
The Ahwahnee Hotel	<ul style="list-style-type: none"> • 99 hotel rooms (upscale) • 24 cottage rooms (upscale) <p>Included with the 99 hotel rooms are two junior suites (one each on the first and sixth floors) and four suites that may be configured by renting an optional parlor room with a sleeping room</p>
Curry Village	<ul style="list-style-type: none"> • 18 standard rooms (basic) • 46 cabins with bath (basic), plus 52 additional units by year 7 of the Draft Contract or as funding becomes available • 14 cabins without bath (basic) • 1 specialty cabin (basic) • 403 tent cabins (rustic); upon completion of 52 new hard-sided units, tent cabins will be reduced by 52 for a total of 351
High Sierra Camps	<ul style="list-style-type: none"> • 48 tent cabins (rustic); Merced Lake will be reduced by 18 beds (11 of the 22 tents will be removed) and Glen Aulin will be reduced by 4 beds at the beginning of the Draft Contract
Housekeeping Camp	<ul style="list-style-type: none"> • 266 tent cabins (rustic); 17 structures (34 units) will be removed during the term of the Draft Contract for a total of 232
Tuolumne Meadows	<ul style="list-style-type: none"> • 69 tent cabins (rustic)
Wawona Hotel	<ul style="list-style-type: none"> • 50 rooms with bath (mid-scale) • 54 rooms without bath (mid-scale)
White Wolf Lodge	<ul style="list-style-type: none"> • 24 tent-cabins (rustic) • 4 cabins with bath (basic)
Yosemite Lodge	<ul style="list-style-type: none"> • 226 lodge rooms (mid-scale) • 4 family rooms (mid-scale) • 19 standard rooms (basic)

Source: National Park Service



Future Revenue and Utilization Projections**Exhibit 16. Projected Overnight Accommodations Department Operating Statistics, 2016**

Location	Occupancy Rate	Occupied Room Nights	Average Daily Rate	Projected Gross Receipts (\$ millions)
The Ahwahnee Hotel	90%-94%	40,300-42,300	\$412-\$434	\$16.6-\$18.4
Curry Village	58%-62%	102,800-106,800	\$101-\$107	\$10.4-\$11.5
Housekeeping	73%-77%	36,500-38,500	\$95-\$99	\$3.5-\$3.8
High Sierra Camps	63%-67%	6,000-6,700	\$151-\$159	\$1.0-\$1.1
Tuolumne Meadows	86%-90%	5,500-5,900	\$100-\$110	\$0.57-\$0.63
Wawona Hotel	80%-84%	23,600-25,600	\$176-\$185	\$4.2-\$4.7
White Wolf	88%-92%	2,600-2,800	\$102-\$108	\$0.27-\$0.30
Yosemite Lodge	91%-95%	80,800-84,800	\$184-\$194	\$14.9-\$16.5
Misc. Lodging*				\$0.54-\$0.60
Total				\$51.9-\$57.3

Source: National Park Service

*Miscellaneous Lodging revenue shown includes some retail sales at the Tuolumne Meadows Lodge, Wawona Golf Shop, and White Wolf Lodge.

Food and Beverage

The food and beverage department historically included The Ahwahnee dining room, Curry Village Pavilion (including buffet, pizza, grill, and coffee corner), Degnan's Loft, Deli, and Café, Tuolumne Meadows Lodge dining room, Tuolumne grill, Wawona dining room, White Wolf dining room, Yosemite Lodge food court, Yosemite Lodge Mountain Room, and Yosemite Village grill. This department also includes food and beverage associated with special events and conferences but does not include food and alcoholic beverage revenue from bars at The Ahwahnee, Curry Village, Wawona, or Yosemite Lodge, which is discussed below in its own section.



Exhibit 17. Food and Beverage Services in the Draft Contract

Location	Details
The Ahwahnee Hotel	<ul style="list-style-type: none"> Dining room (fine dining; beer, wine and distilled spirits) The Ahwahnee bar (beer, wine and distilled spirits; casual interior dining with limited menu)
Badger Pass Ski Area	<ul style="list-style-type: none"> Limited service/quick service Fast food and bar (quick service; beer and wine)
Curry Village	<ul style="list-style-type: none"> Curry Village Pavilion (breakfast and dinner) Coffee bar (including ice cream cones and related snack items) Food deck (lunch and dinner; beer, wine and distilled spirits) Meadow deck (fast food, lunch and dinner)
Glacier Point	<ul style="list-style-type: none"> Limited service/quick service
High Sierra Camps	<ul style="list-style-type: none"> Full service/family casual dining (breakfast, dinner, and sack lunches)
Tuolumne Meadows Lodge	<ul style="list-style-type: none"> Grill (quick service) Lodge dining room (full service/family casual breakfast and dinner; boxed lunches available; beer and wine)
Wawona Hotel	<ul style="list-style-type: none"> Dining room (full service/upscale casual dining; beer, wine and distilled spirits) Golf shop (snack bar)
White Wolf Lodge	<ul style="list-style-type: none"> Dining room (full service/family casual dining at breakfast and dinner, boxed lunches available; beer and wine)
Yosemite Lodge	<ul style="list-style-type: none"> Food court (limited service cafeteria, beer and wine) Dining room (upscale casual dining; beer, wine and distilled spirits) Lounge (beer, wine and distilled spirits, casual interior dining with limited menu)
Yosemite Village	<ul style="list-style-type: none"> The Village (quick service) Degnan's Building (quick-service and family casual food service; beer and wine)

Source: National Park Service

Future Revenue and Utilization Projections

The following table provides projected operating statistics for the Food and Beverage department in 2016, based on forecasted demand and price growth.



Exhibit 18. Projected Food and Beverage Department Operating Statistics, 2016

Location	Covers	Average Cover	Projected Gross Receipts (\$ millions)
The Ahwahnee Hotel	234,000-246,000	\$35.60-\$37.40	\$8.3-\$9.2
Badger Pass	37,000-39,000	\$6.20-\$6.50	\$0.2-\$0.3
Curry Village (all outlets)	500,000-526,000	\$9.90-\$10.40	\$4.9-\$5.5
Degnan's Deli, Café, and Loft	261,000-275,000	\$10.00-\$10.50	\$2.7-\$2.9
Tuolumne Grill	30,000-31,000	\$7.40-\$7.70	\$0.2-\$0.3
Tuolumne Lodge	22,000-23,000	\$15.30-\$16.10	\$0.3-\$0.4
Wawona Hotel	66,000-69,000	\$24.90-\$26.20	\$1.6-\$1.8
White Wolf	9,000-10,000	\$17.60-\$18.50	\$0.1-0.2
Yosemite Lodge Food Court	606,000-638,000	\$8.00-\$8.40	\$4.8-\$5.4
Yosemite Lodge Mountain Room	99,000-105,000	\$29.40-\$30.90	\$2.9-\$3.3
Yosemite Village Grill	75,000-78,000	\$12.40-\$13.10	\$0.9-\$1.0
Other F&B (not classified)			\$1.6-\$1.8
Total Revenue			\$28.8-\$31.8

Source: National Park Service

Bar (Alcoholic Beverages and Food at Bars)

Projected bar department operating statistics and revenues appear in the following exhibit.

Future Revenue and Utilization Projections

Exhibit 19. Projected Bar Department Operating Statistics, 2016

	Number of Covers	Average Cover	Total Gross Receipts
The Ahwahnee	85,000-89,000	\$31.70-\$33.30	\$2.7-\$3.0
Curry Village	50,000-52,000	\$15.30-\$16.10	\$0.76-\$0.84
Wawona	30,000-31,000	\$11.30-\$11.90	\$0.34-\$0.37
Yosemite Lodge	35,000-37,000	\$19.20-\$20.20	\$0.67-\$0.74
Total Projected Gross Receipts			\$4.4-\$4.9

Source: National Park Service

Retail and General Merchandise

The retail and general merchandise department historically included outlets found within lodging facilities (Ahwahnee gift shop, Curry Village gift/grocery, Curry Village Mountain Shop, Housekeeping Camp, Yosemite Lodge gift/grocery, and Yosemite Lodge Nature Shop), as well as outlets in other key visitor areas (Badger Pass Sport Shop, Crane Flat, Glacier Point, Tuolumne Meadows gift/grocery, Wawona General Store, Yosemite Village Store, Yosemite Village Sport Shop).

The following exhibit provides an overview of the types of retail/general merchandise sales to be provided at each location. Additionally, the Service assumes a small portion of sales generated at the discontinued



outlets, as outlined in the Changes between Existing and Draft Contract section of this Business Opportunity, will shift to other outlets due to the closures.

Exhibit 20. Retail in the Draft Contract

Location	Details	Approximate Area
The Ahwahnee Hotel	<ul style="list-style-type: none"> • Gift shop (souvenirs, apparel, sundries, Native American Handicrafts) • Sweet shop (souvenirs, confections, snack food items) 	1,900 SF
Badger Pass Ski Area	<ul style="list-style-type: none"> • Sport shop (souvenirs, apparel, sporting goods) 	1,350 SF
Crane Flat	<ul style="list-style-type: none"> • Store (groceries, souvenirs) 	1,400 SF
Curry Village	<ul style="list-style-type: none"> • Grocery/gift shop (groceries, souvenirs) • Mountain shop (souvenirs, apparel, sporting goods) 	6,600 SF
Glacier Point	<ul style="list-style-type: none"> • Store (souvenirs, apparel, groceries, sundries) 	1,200 SF
High Sierra Camps	<ul style="list-style-type: none"> • Souvenirs, sundries, and snacks 	5-15 SF each
Tuolumne Meadows	<ul style="list-style-type: none"> • Lodge (souvenirs, sundries) 	1,000 SF
Wawona	<ul style="list-style-type: none"> • General store (groceries, souvenirs, apparel) • Golf shop (souvenirs, apparel) 	1,800 SF
White Wolf	<ul style="list-style-type: none"> • Store (sundries, souvenirs) 	5 SF
Yosemite Lodge	<ul style="list-style-type: none"> • Store (souvenirs, apparel, groceries) 	1,800 SF
Yosemite Village	<ul style="list-style-type: none"> • Village Store (groceries, souvenirs, apparel) 	14,100 SF

Source: National Park Service

Future Revenue and Utilization Projections

The average transaction amount varies significantly by outlet. Stores primarily selling sport gear and apparel, such as the Curry Village Mountain Shop, have the highest average transaction amounts, while stores selling primarily grocery items have the lowest transaction amounts.



Exhibit 21. Projected Retail Department Operating Statistics, 2016

Location	Transactions	Average Check	Projected Gross Receipts (\$ millions)
Ahwahnee Gift Shop	139,000-147,000	\$24.90-\$26.10	\$3.4-\$3.8
Badger Pass Sport Shop	14,700-15,300	\$15.80-16.60	\$0.24-\$0.26
Crane Flat Store	99,000-105,000	\$7.90-\$8.30	\$0.79-\$0.87
Curry Village Gift/Grocery	298,000-314,000	\$12.20-\$12.80	\$3.3-\$3.7
Curry Village Mountain Shop	40,000-42,000	\$50.90-\$53.50	\$2.0-\$2.2
Glacier Point	109,000-115,000	\$11.30-\$11.90	\$1.2-\$1.4
Housekeeping Camp Store	69,000-73,000	\$9.00-\$9.50	\$0.63-\$0.70
Tuolumne Gift/Grocery	75,000-79,000	\$11.30-\$11.90	\$0.84-\$0.93
Wawona General Store	125,000-131,000	\$12.40-\$13.10	\$1.5-\$1.7
Yosemite Lodge Gift/Grocery	199,000-209,000	\$14.70-\$15.50	\$2.7-\$2.9
Yosemite Village Gift/Grocery	616,000-648,000	\$22.60-\$23.80	\$14.0-\$15.4
Shifted sales due to closures			\$0.85-\$0.95
Total Revenue			\$31.5-\$34.8

Source: National Park Service

Fuel Sales and Automotive Services

Under the Draft Contract fuel service will still be available at several locations within the Area, including Crane Flat located inside of the north entrance from Highway 120, El Portal located on Highway 140 coming through the Arch Rock Entrance Station, and Wawona coming from the south entrance out of Fresno. The Yosemite Valley Garage provides emergency automotive services only.

Future Revenue and Utilization Projections

Exhibit 22. Projected Fuel Sales and Automobile Service Department Operating Statistics, 2016

Location	Gallons Sold	Price per Gallon	Projected Gross Receipts (\$ millions)
Crane Flat	597,000-627,000	\$4.60-\$4.80	\$2.7-\$3.0
El Portal	246,000-258,000	\$4.60-\$4.80	\$1.1-\$1.2
Wawona	522,000-548,000	\$4.60-\$4.80	\$2.4-\$2.6
Yosemite Valley Garage	Emergency Services		\$0.37-\$0.41
Total Revenue			\$6.6-\$7.3

Source: National Park Service

Motorized Interpretive Tours

Projected transportation department operating statistics and revenues appear in the following exhibit.

Future Revenue and Utilization Projections



Exhibit 23. Projected Transportation (Tours) Department Operating Statistics, 2016

	Passengers	Average Revenue / Passenger	Projected Gross Receipts (\$ millions)
Valley Tour	75,000-79,000	\$21.70-\$22.80	\$1.6-\$1.8
Other Tours	45,000-47,000	\$28.30-\$29.70	\$1.3-\$1.4
Total Projected Gross Receipts			\$2.9-\$3.2

Source: National Park Service

Rentals

These projections are limited to ski, snowboard and Nordic equipment rentals at Badger Pass, and camping equipment rentals at various retail outlets.

Future Revenue and Utilization Projections

Exhibit 24. Projected Rentals Department Operating Statistics

	Rentals	Average Price	Projected Gross Receipts
Rentals	15,000-16,000	\$27.10-\$28.50	\$405,000-\$447,000
Total Projected Gross Receipts			\$405,000-\$447,000

Source: National Park Service

Guide Services

Projected guided services department operating statistics and revenues appear in the following exhibit.

Future Revenue and Utilization Projections

Exhibit 25. Projected Guided Services Department Operating Statistics, 2016

	Transactions	Average Price	Gross Receipts
Mountaineering Retail	4,900-5,100	\$36.30-\$38.00	\$180,000-\$198,000
Mountaineering Instruction	2,900-3,100	\$158.30-\$166.40	\$472,000-\$522,000
Ski School	6,800-7,200	\$45.20-\$47.50	\$293,000-\$323,000
Nordic Operations	Not Available	Not Available	\$213,000-\$235,000
Total Projected Gross Receipts			\$1,157,000-\$1,279,000

Source: National Park Service

Other Revenue and Operating Statistics

Other revenue includes gross receipts from horse operations at Wawona stables, the Badger Pass ski lift, and vending throughout the Park.



Future Revenue and Utilization Projections**Exhibit 26. Projected Other Departments Operating Statistics**

	Transactions	Average Price	Gross Receipts
Badger Pass Ski Lift	28,000 - 29,000	\$27.30 - \$29.70	\$787,000 - \$869,000
Horse Operations (Day Rides only)	5,000 – 5,200	\$68.40 - \$72.00	\$340,000 – \$376,000
Vending	Not Available	Not Available	\$293,000 - \$323,000
Total Projected Gross Receipts			\$1,420,000-\$1,568,000

Source: National Park Service

INVESTMENT ANALYSIS

As shown in the following exhibit, the total estimated required initial investment by the Concessioner as projected by the Service is \$32,000,000 in 2016 dollars. This includes personal property, inventory, supplies, start-up costs (staff hiring, training, etc.) and working capital (investment needed to cover expenses incurred in advance of offsetting revenues).

Exhibit 27. Estimated Initial Investment

Item	Estimated Amount (2016 Dollars)
Possessory Interest from Concessioner per CC-YOSE004-93	\$0
Other Property (other than Inventory)	\$22,500,000
Inventory	\$6,500,000
Start-up Costs	\$3,000,000
TOTAL	\$32,000,000

Source: National Park Service

In addition to this estimated initial investment, the Service will require the Concessioner to expend additional monies on deferred maintenance over the first four years of the Draft Contract term. Additional information is provided below regarding the deferred maintenance requirements.

POSSESSORY INTEREST

The Service has fully satisfied the Existing Concessioner's right to compensation for Possessory Interest under the terms of the Existing Contract. Consequently, the Concessioner will have no obligation to purchase any Possessory Interest in real property improvements.

ASSIGNED GOVERNMENT PERSONAL PROPERTY

The Existing Concessioner, under the terms of the Existing Contract, held certain personal property intrinsic to the historic and cultural values of the Park and related concession operations. Some items in themselves are valuable artistic, historic, or cultural artifacts. The terms of the Existing Contract designated this property as "Reserved Property". Most of these items are located at The Ahwahnee Hotel and add to the hotel's character. The terms of the Existing Contract also required the Existing Concessioner to transfer the "Reserved Property" to the successor concessioner without compensation.

The Service and the Existing Concessioner are working to amend the Existing Contract to transfer this property to the United States prior to the expiration of the Existing Contract. The Service will assign the Government Personal Property to the Concessioner for care and use during the term of the Draft Contract. Exhibit E (Assigned Government Personal Property) to the Draft Contract identifies this property.

OTHER PROPERTY AND INVENTORY

The Existing Contract requires the Existing Concessioner to sell and transfer to its successor other property used or held for use in connection with the operation.



The Service estimates the value of other property the Concessioner must purchase from the Existing Concessioner at approximately \$22,500,000 in 2016 dollars. This total includes personal property such as furniture, trade fixtures, equipment, and vehicles. This total is only an estimate, and the final determined value could differ from this estimate. A personal property list provided by the Existing Concessioner is included as an appendix to this Prospectus.

The Service also estimates the value of inventory at \$6,500,000, consisting primarily of retail merchandise, grocery, and food and beverage items. This total is only an estimate, and the final determined value could differ from this estimate.

START-UP COSTS

At the start of the Draft Contract, the Concessioner will need to make a one-time investment in a range of activities to ramp up operations. These activities include staff hiring, training that may involve compensation in addition to normal wages, systems implementation, legal support services, and marketing and advertising beyond normal annual expenditures. The Service estimates start-up costs to be approximately \$3,000,000.

DEFERRED MAINTENANCE

As stated previously, the Concessioner must cure deferred maintenance of approximately \$3.0 million during the first four years of the Draft Contract. The Service provides detailed descriptions of DM projects as an attachment to Exhibit H (Maintenance Plan) of the Draft Contract.



OTHER DRAFT CONTRACT INFORMATION

The following section outlines the business terms required by the Draft Contract.

FRANCHISE FEE

Offerors must agree to pay the minimum franchise fee set out in Principal Selection Factor 5 of the Proposal Package (Part III of this Prospectus). The minimum franchise fee is eight and six tenths percent (8.6%) of the Concessioner's annual gross receipts for the term of the Draft Contract. Offerors may propose a higher minimum franchise fee, as described more fully in the Proposal Package.

In addition, if the Service constructs 52 additional Curry Village Cabins and assigns them to the Concessioner before the end of the seventh year (7) of the Draft Contract term, then beginning with the first full month after the date the Service assigns the cabins as Concession Facilities, the franchise fee for the remaining Draft Contract term shall increase by an additional six-tenths of one percent (0.6%) of Concessioner's gross receipts.

INSURANCE REQUIREMENTS

The Service has included minimum insurance requirements in Exhibit I of the Draft Contract (Part IV of the Prospectus). Interested parties should consider these requirements in preparing their proposals.

REPAIR AND MAINTENANCE OF CONCESSION FACILITIES

The Draft Contract requires the Concessioner to maintain the Concession Facilities to the satisfaction of the Director. The Maintenance Plan (Exhibit H to the Draft Contract) has specific requirements about planning and executing the Concessioner's responsibilities.

Concession Facilities

The Concessioner will manage over 350 structures consisting of a total of approximately 880,000 square feet of interior building space, as well as other landscapes, roads, systems, and other spaces, collectively referred to as "Concession Facilities". Exhibit D of the Draft Contract includes a list of these structures.

The Service will make the following changes to Concession Facilities during the term of the Draft Contract when funding is available:

- 1) Demolish the Cash Operations and Art Activity Center building. The Concessioner will be required to operate the cash operations function at a different location under the Draft Contract than the Existing Concessioner's operations under the Existing Contract.
- 2) Relocate the Concessioner's bus and fleet maintenance facility from the Yosemite Village Concession Garage to a portion of the Government Utility Building in the NPS Maintenance Yard in Yosemite Valley.
- 3) Demolish the Yosemite Village Concession Garage located across from the Village Store within Yosemite Village.
- 4) Relocate the Concessioner's administrative activities from the General Office Building to a smaller space (approximately 15,000 square feet) within the existing concession warehouse facility located in Yosemite Valley. This will include reconfiguration of the interior of the existing Concessioner General Warehouse building (10,000 square feet) and a 5,000 square foot addition to this building to be



constructed by the Service, for a total of 15,000 square feet of office/warehouse space. In addition, the Concessioner could add a mezzanine within the existing 15,000 square feet to use for increased office space. The expansion of the building would require the elimination of parking spaces that would be replaced nearby along Village Drive.

- 5) Construct 52 hard-sided cabins at Curry Village by the end of year 7 of the Draft Contract.
- 6) Demolish 17 buildings (34 units) in Housekeeping Camp during the term of the Draft Contract.
- 7) Relocate five employee canvas tents (10 beds) located behind the Tuolumne Fueling Station to the main concession employee housing area north of Tuolumne Lodge at the beginning of the Draft Contract.

Deferred Maintenance

The Concessioner must cure all deferred maintenance (DM) for all real property assets assigned in the first four years of the Draft Contract. The DM forecast assumes the Concessioner will maintain assets according to the Maintenance Plan and will not allow new DM to occur or accumulate. The Service provides estimates and detailed descriptions of DM projects as an attachment to the Maintenance Plan, Exhibit H to the Draft Contract. The Service estimates these costs for illustrative purposes only; Offerors must develop their own estimates and should not rely on Service estimates.

The Service has estimated the total DM the Concessioner must complete to the satisfaction of the Director to be \$3.0 million over the first four years of the Draft Contract. Even if actual costs exceed the estimates provided in this Prospectus, the Concessioner must cure all DM within this timeframe. The Service does not warrant the estimates, but includes them to provide a reasonable expectation of the investment associated with the requirements herein.

Repair and Maintenance Reserve

The Draft Contract requires the Concessioner to establish a Repair and Maintenance Reserve for repair and maintenance projects that are non-recurring within a seven-year period (component renewal). The terms and conditions of the Repair and Maintenance Reserve are set out in the Draft Contract in Section 10(c). The Repair and Maintenance Reserve for the Draft Contract will represent three and one half percent (3.5%) of gross receipts in the first year of the Draft Contract, two percent (2.0%) of gross receipts in years two through fourteen, and zero percent (0.0%) of gross receipts in the final year of the Draft Contract. Regardless of the funds in the Maintenance Reserve, the Concessioner must complete all component renewal timely throughout the term of the Draft Contract.

Examples of projects that may be funded from the Repair and Maintenance Reserve (with the prior approval of the Service) include repair or replacement of foundations, building frames, window frames, sheathing, subfloors, drainage, rehabilitation of building systems such as electrical, plumbing, built-in heating and air conditioning, roof replacement and similar projects.

Repair and Maintenance Expense

The repair and maintenance expense requirement of the Draft Contract includes preventive and recurring maintenance and unscheduled and scheduled repair. This work prevents premature failure of assets and keeps them functioning at their original level of performance. The repair and maintenance expense does not include expenditures to cure deferred maintenance, nor does it cover component renewal (funded largely from the Repair and Maintenance Reserve).

The Service projects the repair and maintenance expense to be at least \$2,600,000 in the first year of the Draft Contract and three percent (3.0%) of total gross receipts each year thereafter *in addition* to the funds allocated to the Repair and Maintenance Reserve described above. Furthermore, as this required amount is a minimum, the Concessioner may be required to expend additional amounts above this minimum to maintain the Concession Facilities to the satisfaction of the Director.



The minimum amount of repair and maintenance expense is separate from the Repair and Maintenance Reserve described in Section 10(c) of the Draft Contract.

UTILITY EXPENSE

The Service furnishes water and wastewater services to the Concessioner with usage monitored by water meters. In 2013, the Service cost to produce water and wastewater was \$31.23 per thousand gallons of water and wastewater used. The comparable water and wastewater rate outside of the Area was \$4.15 per thousand gallons of water used, which was \$27.08 less than the rate charged by the Service. The Existing Concessioner used 154.6 million gallons of water and wastewater during the 2013 calendar year at a total billed cost of \$4.7 million.

NPS Director's Order 35B (DO-35B), Cost Recovery for NPS-Provided Utilities, requires the Service to recover all costs from users (Friends groups, Concessioners, etc.) including utility-related cyclic repairs, cyclic rehabilitation, and capital improvements to the utility system. For additional information, see DO-35B, included as an appendix to this Prospectus.

The Service has approved a "Utility Add-on" equal to 3.05% of the Concessioner's gross receipts for the first year of the Draft Contract, which will cover only a portion of the utility expenses above the industry norm. The Service may approve a Utility Add-on for subsequent years in accordance with Service policy, but the Utility Add-on will not exceed 3.05% of the Concessioner's gross receipts for the term of the Contract. The Service developed the utility rate projections in accordance with DO-35B and expects these rates to increase at approximately twice the rate of inflation. The Utility Add-on revenue is not included in historic revenue or projected departmental revenue data presented throughout this Prospectus. Under the Draft Contract, any permitted Utility Add-on revenue will not be subject to franchise fees.

Projected water and wastewater rates based on DO-35B methodologies appear in the following exhibit.

Exhibit 28. Projected Utility Rates

Year	Total Projected Water/Wastewater Utility Rate
2016	\$41.25
2017	\$45.41
2018	\$47.68

Source: National Park Service

HISTORIC STATUS OF CONCESSION FACILITIES AND HISTORIC DISTRICTS

The *National Register of Historic Places (National Register)* is the official list of the nation's historic places worthy of preservation. Within the *National Register* are National Historic Landmarks, Historic Districts, and individually listed structures, places, buildings and sites. The National Register nomination forms for Yosemite National Park historic properties are available on the Park's web site in the following location:
<http://www.nps.gov/yose/historyculture/nr-yose-list.htm>

National Historic Landmarks (landmarks) in the Draft Contract includes The Ahwahnee Hotel and Wawona Hotel. These landmarks, designated by the Secretary of the Interior, are nationally significant historic places that possess exceptional value or quality in illustrating or interpreting the heritage of the United States. The Service is working on completing a determination of eligibility as landmarks for the Yosemite Lodge and Housekeeping Camp.

Maintenance, repair, and capital improvement work on these landmarks require rigorous consultation with external agencies and must follow cooperative agreements among the National Park Service, California State



Historic Preservation Officer, and the Advisory Council on Historic Preservation. Documents providing information regarding the standards related to these and other Landmarks are available on-line: *A Sense of Place: Design Guidelines for Yosemite National Park* (<http://www.nps.gov/yose/parkmgmt/reading-room.htm>) and the *Secretary of the Interior's Standards for the Treatment of Historical Structures* (<http://www.nps.gov/history/hps/tps/standguide>).

A historic district possesses a significant concentration of sites, buildings, structures, or objects united historically or aesthetically by plan or physical development. Numerous individual buildings within the Draft Contract including administrative facilities, employee housing units, and visitor services are located in historic districts throughout the Park. The following list includes all of the historic districts that include Concession Facilities assigned under the Draft Contract.

- Camp Curry Historic District
- Chinquapin Historic District
- Glacier Point Road
- Glen Aulin High Sierra Camp Historic District
- Mariposa Grove Historic District
- May Lake High Sierra Camp Historic District
- Merced Canyon Travel Corridor Historic District
- Merced Lake High Sierra Camp Historic District
- Soda Springs Complex Historic District
- South Entrance Historic District
- Tuolumne High Sierra Camp Historic District
- Tuolumne Meadows Historic District
- Vogelsang High Sierra Camp Historic District
- Wawona Hotel and Pavilion
- Yosemite Valley Bridges Historic District
- Yosemite Valley Historic District
- Yosemite Village Historic District

The Ahwahnee Hotel Project and Temporary Closure

In January 2016, the Service will undertake a major construction project to correct accessibility and fire safety and egress issues at The Ahwahnee Hotel. The work is comprised of the following:

- Replacement of the existing non-code compliant exit stairway serving the East Wing of the hotel
- Remodeling four guest rooms and the First Floor and Second Floor East Wing to add two accessible guest suites including one with an accessible outdoor balcony
- Adding an elevator providing accessibility from the Ground Floor to the Mezzanine Level meeting rooms
- Rehabilitation and remodeling of The Ahwahnee Hotel bar and its existing non-original additions at the east end of the Ground Floor, including construction of a new kitchen for the bar.





Areas impacted include The Ahwahnee Hotel bar, the Upper Mezzanine (which includes the Colonial Room, Tressider Room, and Tudor Lounge), and ten guest rooms. These areas will be out of service during the construction period. The Fireplace Room, Mural Room, Solarium, and Winter Club Room will remain open for public use during the construction.

The Service anticipates project completion no later than August 2016. Below is the tentative schedule of construction as well as when The Ahwahnee Hotel bar, Upper Mezzanine, and guest rooms need to be taken off-line to accommodate the schedule.

Exhibit 29. Tentative Project Schedule

Location	Project Schedule	Visitor Use Restricted
Upper Mezzanine (includes all meeting rooms, elevator, & stairs)	January 4 – April 15, 2016	January 4 – May 16, 2016
Bar	January 4 – April 15, 2016	Same as Schedule
Bar Kitchen	January 4 – July 26, 2016	Same as Schedule
Accessible Guest Rooms	January 4 – May 27, 2016	All 10 guest rooms: 1/4 – 6/24 Only 2 guest rooms: 6/24 – 8/19*
Internal Stairs	January 4 – July 29, 2016	Same as Schedule

Source: National Park Service

*Eight guest rooms will come back on-line for booking at the end of June and only two rooms will remain off-line to be used as interim emergency egress routes until the stairs over the bar kitchen are completed.

The Service recognizes this work will take place during the transition of the Draft Contract and will coordinate with both the Concessioner and Existing Concessioner regarding the final construction schedule and ongoing work.

In addition, the Service expects certain areas of The Ahwahnee Hotel will close for seismic and other component or system maintenance over a 6-week period anticipated to take place after 2020. The Service will fund and perform this work. The exact timing of this rehabilitation project depends upon the Service obtaining necessary funding. The Service will notify the Concessioner at least 2 years in advance of beginning construction and will attempt to plan the project so most work occurs outside of the high season. Some services at The Ahwahnee Hotel will close during this time. Nevertheless, Offerors should consider the



financial and operational impacts of shutting down and restarting operations at The Ahwahnee Hotel on the overall concession operation.

The Service accounted for potential impacts of The Ahwahnee Hotel projects in its financial analysis of this business opportunity.

COMPREHENSIVE MANAGEMENT PLANS AND EFFECTS ON DRAFT CONTRACT

Like all operations within Yosemite National Park, the concession operations under the Draft Contract must comport with requirements under several significant plans.

2014 Merced Wild and Scenic River Comprehensive Management Plan

On March 31, 2014, the NPS Pacific West Regional Director approved the *Merced Wild and Scenic River Comprehensive Management Plan Record of Decision* (Merced River Plan). The Merced River Plan will retain the essence of Yosemite, sustaining the experiences enjoyed by generations of families over time. Visitors will continue to have the freedom to access Yosemite Valley in their private vehicles and through expanded public transit and shuttle bus service throughout the Valley. Traffic congestion and crowding will lessen through changes to traffic patterns, reorganized day-use parking areas, and a strong commitment to managing user capacity in East Yosemite Valley.

The centerpiece of the Merced River Plan is a multi-faceted program to ensure the continual protection and enhancement of the rare, unique, and exemplary qualities of the Merced River. Current scientific studies indicate that the river is in good condition, yet the plan capitalizes on the opportunity to enhance the river's condition. Actions include the restoration of over 180 acres of meadow and riparian habitat. Parking areas will be relocated out of sensitive riparian areas and abandoned infrastructure will be removed from meadows, riverbanks, and culturally sensitive sites. A robust monitoring program will allow the Service to identify potential threats in the future to ensure that the Merced River's unique values remain protected for future generations.

The Merced River Plan affects facilities and services currently located within the river corridor, including some assigned to the Concessioner. The Draft Contract incorporates, to the extent possible, these required changes in facilities and services. The Service will reduce overnight accommodations in several locations; reduce the total amount of retail space throughout the Park, move support and other services at the Yosemite Valley Garage to the current Government Utility Building in the NPS Maintenance Yard, and reduce overall support services space in the Park. The Service will fund these projects throughout the term of the Draft Contract and the Concessioner will assist with planning to implement the changes.

Offerors are encouraged to review the Merced River Plan located on the Park's web site:

http://www.nps.gov/yose/parkmgmt/mrp_finalplan.htm.

2014 Tuolumne Wild And Scenic River Comprehensive Management Plan

On June 24, 2014, the NPS Pacific West Regional Director approved The *Tuolumne Wild and Scenic River Comprehensive Management Plan Record of Decision* (Tuolumne River Plan).

The Tuolumne River Plan will retain the majority of facilities in Tuolumne Meadows, with key improvements to protect river values and the visitor experience. Visitors will continue to have access to the area in their private vehicles and most ongoing recreational activities will continue; however, stock day rides into designated wilderness operated by the Existing Concessioner will not occur under the Draft Contract. At the Tuolumne Meadows Lodge, the capacity would remain as it is today with an upgraded shower house, which would be open to the public for a fee. The Service will move three guest cabins, the dining hall and kitchen, and all of the employee cabins away from the river to protect riparian vegetation. Roadside parking on the road to the lodge will be eliminated. The Service will construct a new concessioner housing area just north of



the Tuolumne Meadows Lodge parking lot, which will accommodate those employees displaced from cabins removed by the Service.

The Tuolumne River Plan affects facilities and services currently located within the river corridor, including some assigned to the Concessioner.

Offerors are encouraged to review the Tuolumne River Plan located on the Park's web site:

<http://www.nps.gov/yose/parkmgmt/trp.htm>.

1980 Yosemite General Management Plan

The Service approved the Park's General Management Plan (GMP) in 1980. The GMP continues to provide the basis for planning and operational decisions made in the Park. The GMP provides the following management objectives:

- Reclaim Priceless Natural Beauty
- Markedly Reduce Traffic Congestion
- Allow Natural Processes to Prevail
- Reduce Crowding
- Promote Visitor Understanding and Enjoyment

The Park's planning website, located at <http://www.nps.gov/archive/yose/planning/gmp/plan>, provides additional information about the GMP.

1992 Concession Services Plan

The Service adopted the Concession Services Plan and Supplemental Environmental Impact Statement (CSP) in August 1992. The CSP supplements the final Environmental Impact Statement for the Park's General Management Plan. The approved CSP provides the framework for the required and authorized services included in the Existing Contract, which is included as an appendix to this Prospectus.

VISITOR TRANSPORTATION SERVICES (VTS)

Using shuttle buses, the Concessioner-operated VTS provides complimentary service to visitors in and around Yosemite Valley to promote visitor use of Concession Facilities by reduction of related traffic congestion. The Service takes into account the Concessioner's expenses in providing the VTS under the NPS rate approval program. Under this program, the Service permits the Concessioner to include a VTS addition to its approved rates for visitor use of Concession Facilities and services to recover the costs of providing the VTS, because the comparables against which rates are determined usually do not provide as extensive a transportation amenity to their guests. Increased rates are based on the Concessioner's costs to operate and maintain the system. Projected 2016 VTS expenses and related collections are approximately \$4.7 million. The Service may terminate in whole or in part the Concessioner's operation of the VTS at the end of any operating year without liability or compensation to the Concessioner. Refer to the Draft Contract, Exhibit B-6 VTS Operating Plan for further details.

LABOR ENVIRONMENT

The Existing Concessioner employs approximately 1,700 personnel during the peak season and approximately 800 during the non-peak season. Two current collective bargaining agreements cover the Existing Concessioner's employees: one with UNITE HERE! Union Local 19 of San Jose, California, (408) 321-9019, covering all service workers, and the other with the General Teamsters Local #386 of Modesto, California, (209) 526-2755, covering commercial drivers, mechanics, warehouse, and maintenance employees.



EMPLOYEE SERVICES AND HOUSING

The U.S. Public Health Service operates the Yosemite Medical Clinic, located in Yosemite Village, under an agreement with the Service. Medical staff provides family practice and emergency medical care for visitors as well as Service and Concession employees. The Medical Clinic operates an ambulance staffed by paramedic level providers. The Existing Concessioner provides employee-counseling services via an agreement with a mental health professional.

The Concessioner will have a wide variety of housing types and configurations to house its employees within the Park. Draft Contract, Exhibit B-7 Employee Housing Operating Plan provides additional information regarding housing. The vast majority is shared housing, meaning more than one employee occupies the living space, with communal cooking, bath and laundry facilities. There are no employee dining room facilities. For Park planning purposes, the Service determines employee-housing inventory by counting “beds” used by employees rather than rooms or structures. For example, a dorm room shared by two individuals counts as “two beds.” A three bedroom house occupied by a family of five (two adults and three children) counts as “one bed”, assuming the family would have one adult employee. The Draft Contract has 1,121 beds in Yosemite Valley, 90 beds in Tuolumne, 21 beds in White Wolf, 47 beds in High Sierra Camps (Glen Aulin, May Lake, Merced Lake, Sunrise, and Vogelsang), and 90 beds in Wawona, for a total housing inventory of 1,269 beds.

A list of changes between the Existing Contract and the Draft Contract is presented in the following exhibit.

Exhibit 30. Employee Housing Changes to Draft Contract

# of Beds	Location	Change
10 beds	Tuolumne Gas Station	Relocate 5 employee canvas tents to the employee housing area at Tuolumne Meadow Lodge
82 beds	Yosemite Lodge Highland Court	Remove from the Area at the beginning of the Draft Contract
48 beds	Curry Village Employee Boystown (Canvas Tents)	Remove from the Area at the beginning of the Draft Contract

Source: National Park Service

The Concessioner must provide a complete housing program, including not only the provision of facilities, but also the maintenance and care of the facilities, and an in-park recreation program for its employees. The Concessioner employee housing available in the Park is not sufficient to house all employees during the peak season. The Service, depending on funding priorities, may build employee housing outside of the Park. If the Service completes additional employee housing during the term of the Draft Contract, the Service may amend the Draft Contract and reduce the overall number of employee housing units in the Yosemite Valley assigned to the Concessioner.

NATURAL HAZARDS, CLIMATE, AND SEASONALITY

Yosemite National Park is a unique environment where natural processes prevail. Some of the same processes that helped form the Park remain at work today. Floods, high winds, rockslides, rock falls, and fires are all natural processes that have in the past and may in the future affect the Park and those conducting business in the Park. Some natural events cause the closure of scenic facilities, parts of the Park and, rarely, the entire Park to protect the visiting public. In some cases, such events cause visitors to postpone, delay, or cancel arrival in the Park. Facilities and services within the Park necessarily must accommodate those processes. Examples of natural events include:



Yosemite Valley Flood, 1997

In January 1997, a flood of historic proportions significantly affected Park visitation. The flood severely damaged a whole range of facilities from miles of roads, bridges and trails, to utility systems, to several hundred units of guest lodging, campsites, and employee housing. Damage in the park was widespread and affected every aspect of park operations. At the time of the flood, hundreds of Park visitors and concession employees were stranded in Yosemite Valley and Park personnel necessary for emergency operations were unable to get into the Valley. The majority of the Park's infrastructure was inundated with water. The Service established temporary services for water, sewer, and electrical systems. Roads were only partially opened to transport in supplies and materials necessary for the rebuilding. It took nearly two and half months for the Park to reopen for limited visitation.

***Ferguson Rockslide, 2006***

In April 2006, a rockslide in the Merced River Canyon, approximately five miles west of Yosemite National Park, completely obstructed a section of Highway 140 between Mariposa and El Portal. Construction of temporary solutions to the obstruction took several years to implement. Alternatives for a permanent repair are being evaluated.

Glacier Point Rock Fall, 2008

In October 2008, rock from the face of Glacier Point fell in the Curry Village area resulting in the permanent closure of 236 overnight accommodations.

Wildfires

Wildfires within the Park cause partial or complete closure of some areas. Most recently, this included the Rim Fire, 2013, the Motor Fire in 2011, and the Big Meadow Fire, 2009.

Hantavirus

Between August and October 2012, the California Department of Public Health ("CDPH") and the Service announced ten confirmed cases of hantavirus pulmonary syndrome ("HPS") in visitors who had stayed overnight in the Park, launching an investigation by the Service, CDPH, and the Centers for Disease Control. Nine of the cases were associated with stays at the "Signature Tent Cabins" found in Curry Village. Of these 10 cases, there were three fatalities. During several inspections and evaluations of these cabins, the evaluators detected a rodent infestation. Additionally, the Service, CDPH, and other representatives observed a void space within the cabins allowing rodents to access the space. The Superintendent permanently closed



and removed the 91 Signature Tent Cabins in Curry Village on August 28, 2012 due to public safety concerns.

Climate and Seasonality

Yosemite generally features warm, dry summers and snowy, rainy winters. Spring and fall are transitional months, when sunny days can become stormy. Given the large elevation gradient within the Park, however, climatic conditions can vary significantly depending on location.

Visitation patterns and road closures dictate the seasonality of concession operations at various locations throughout the Park. The actual operating season for visitor services in the Tuolumne Meadows, White Wolf and High Sierra Camps vary from year-to-year. Road and weather conditions vary, and logistical requirements with associated opening and closing of Concession Facilities, include removing snow from roads, parking areas, trails, roofs, and porches, the assembly of soft-sided lodging and housing structures, and charging (spring) and winterizing (fall) utility systems.

The Tioga Road, the only trans-Sierra crossing through the Park, typically closes from early November until mid to late May; most concession services located along this road close for the same period. The exception is the year-round operation of the Crane Flat fuel station. Housekeeping Camp, the High Sierra Camps, as well as some Curry Village and Wawona accommodations operate seasonally. Some food and beverage, retail, and recreational services in Yosemite Valley, Wawona, and other locations within the Park also operate on a seasonal basis. For further details, please refer to Exhibit B (Operating Plan) of the Draft Contract.

OTHER COMMERCIAL VISITOR SERVICES

Within Yosemite National Park

The Ansel Adams Gallery (Gallery) operates under a concession contract and offers a range of retail products including fine art, photographic prints, books, stationery, jewelry, ceramic products, and souvenirs related to the work of its namesake, as well as other artists. The Gallery is located near the Visitor Center in Yosemite Village.

Within the El Portal Administrative Site

The El Portal Market operates under a concession contract providing grocery and retail service and is located in the town of El Portal, approximately two miles west of the Park along Highway 140.

Other Operations

In addition to these other concessioners, a number of businesses holding Commercial Use Authorizations (CUAs) to operate within Yosemite National Park offer a range of visitor services. In 2013, the Service issued 465 Commercial Use Authorizations. Total reported revenue from all operators was approximately \$19.3 million:

- Bus tours: \$14.5 million
- Hiking-based guide services (hiking/backpacking/fishing/Nordic skiing): \$4.1 million
- Commercial Stock Packers: \$238,000
- Photography Workshops: \$370,000
- Tire Chain Sellers/Installers and Travel Trailer Deliveries: \$61,500

In 2013, the Service authorized 92 guide services (comprised of 55 hiking-based guides, 29 photo workshops, and 9 commercial stock packers), six snow chain installers, three roadside chain sellers, one camping trailer delivery service, and 363 commercial tour bus companies to provide visitor services in the Park.



Other entities provide commercial services on private lands within or just outside the Park. Yosemite West, located outside the Park boundary but accessible only from a road junction located near the summit of the Wawona Road near Chinquapin, features a small number of overnight accommodations, transient rental, or bed and breakfast properties. According to Mariposa County, 10 transient rental or bed and breakfast properties are located on privately owned inholdings within the Park at Foresta (near Crane Flat along the Big Oak Flat Road).

The largest grouping of non-concession commercial services are found within Section 35 at Wawona, per Mariposa County records, including the operation of 125 private rentals. A small privately owned convenience store also operates in Section 35 in Wawona. The Seventh Day Adventist Church (SDA) operates a summer season camp for children on private land in Wawona. Over the next 20 years, the SDA Camp plans to make improvements to the facility to accommodate lodging and conferences serving a maximum of 340 children and adults during the peak season.

OTHER EXISTING AGREEMENTS

Two prominent nonprofit entities, the Yosemite Conservancy and NatureBridge, provide educational and interpretive programs in the Park under the terms of existing agreements with the Service. Both of these organizations have ongoing business relationships with the Existing Concessioner, and the Service encourages the Concessioner to continue those relationships during the term of the Draft Contract.

The Yosemite Conservancy provides grants and support to Yosemite National Park to help preserve and protect Yosemite today and for future generations. The work funded by Yosemite Conservancy is visible throughout the Park, from trail rehabilitation to wildlife protection and habitat restoration. The Yosemite Conservancy enhances the visitor experience and provides a deeper connection to the Park through outdoor programs, volunteering, and wilderness services as well as thirteen retail locations providing informational and educational materials. The Existing Concessioner supports the Yosemite Conservancy by providing overnight visitors with a means of donating to Yosemite Conservancy through implementing a dollar donation program. In addition, the Existing Concessioner makes available overnight accommodations and other hospitality services to support Yosemite Conservancy programs. The Service encourages the Concessioner under the Draft Contract to continue these efforts of cooperation and fund raising.

NatureBridge provides environmental education services to young people visiting the Park. Approximately 13,000 public and private school students participate in NatureBridge programs annually. Many students, teachers, and chaperones use the overnight accommodations and other hospitality services offered by the Existing Concessioner.

The U. S. Postal Service operates a main post office in Yosemite Valley and branches at Wawona and Tuolumne Meadows. The Existing Concessioner operates the branch post offices as shared facilities within Concession Facilities in the Wawona General Store and Tuolumne Meadows Grocery Store via separate contracts with the U.S. Postal Service. The Concessioner may negotiate new agreements with the U.S. Postal Service for these satellite post offices.



EXISTING CONCESSION CONTRACT

The Existing Concessioner provides visitor services throughout Yosemite National Park and the El Portal Administrative Site adjacent to the Park under the Existing Contract. The Existing Contract commenced on October 1, 1993, and was originally due to expire on September 30, 2008 but has been extended and continued since that time to avoid interruption of visitor services. The Existing Contract expires on February 29, 2016.

REQUIRED AND AUTHORIZED SERVICES: EXISTING CONTRACT

The following exhibit shows required and authorized visitor services within Yosemite National Park and El Portal Administrative Site under the Existing Contract.

Exhibit 31. Existing Contract YOSE004-93 – Required Services

Required Services	Location
Overnight Accommodations	The Ahwahnee Hotel, Curry Village, High Sierra Camps (Glen Aulin, May Lake, Merced Lake, Sunrise, Vogelsang), Housekeeping Camp, Tuolumne Meadows Lodge, Wawona Hotel, White Wolf, Yosemite Lodge
Food and Beverage	The Ahwahnee Hotel, Curry Village, High Sierra Camps (Glen Aulin, May Lake, Merced Lake, Sunrise, Vogelsang), Tuolumne Meadows, Wawona Hotel, White Wolf, Yosemite Lodge, Yosemite Village
Automotive Services	Crane Flat (fuel), El Portal (fuel), Tuolumne Meadows (fuel), Wawona (fuel, minor repairs, towing), Yosemite Lodge (fuel), Yosemite Village Garage (auto service and repair, body shop, towing), Towing 24-hour call-out service, Chain service in Lodging parking lots
Visitor Activities and Other Services	
Tours	From Yosemite Valley: Grand Tour, Glacier Point Tour, Big Trees Tour, Valley Floor Tour; From Mariposa Grove of Giant Sequoias: Big Trees Tram Tour
Showers	Curry Village, Housekeeping Camp
Laundromat	Housekeeping Camp
Bank Tell Machine (ATM) and Check Cashing	Yosemite Village

Source: National Park Service



Exhibit 32. Existing Contract YOSE004-93 –Authorized Services

Authorized Services	Location
Food and Beverage	Badger Pass Ski Area, Curry Village, Glacier Point, Wawona Hotel
Merchandise Sales	Ahwahnee Hotel, Badger Pass Ski Area, Crane Flat Store, Curry Village, Glacier Point Gift Shop, Housekeeping Camp Store, Tuolumne Meadows, Wawona, White Wolf Lodge, Yosemite Lodge, Yosemite Village
Visitor Activities and Other Services	
Bicycle Rentals	Curry Village, Yosemite Lodge
Cross-Country Skiing and Winter Activities	Cross-Country Ski Lessons at Badger Pass Ski Area, Cross-County Ski and Snowshoe Rentals at Badger Pass Ski Area, Curry Village; Downhill Skiing at Badger Pass Ski Area
Golf	Wawona
Guide Services at Various Locations	Climbing, Back Packing, Nordic Skiing
Horse and Mule Operations	Tuolumne Meadows Stable, Wawona Stable, White Wolf Stables, Yosemite Valley Stables
Ice Skating	Curry Village
Mountaineering School	Tuolumne Meadows
Raft Rentals	Curry Village
Swimming Pools	Curry Village, Yosemite Lodge
Baby Sitting	Badger Pass Ski Area, Lodging Locations
Camping Equipment Rental	At some retail outlets
Kennel	Yosemite Valley Stable
Photo Developing Center	Yosemite Village
Shuttle Service	Yosemite Valley to Lee Vining; On-Call Valley Shuttle
Employee Services	Barber Beauty Shop at Yosemite Village; Video Rentals at Yosemite Village
Visitor Transportation Services (VTS)	Per the Operating Agreement for VTS (Attachment D)

Source: National Park Service

HISTORICAL GROSS RECEIPTS

The operations associated with the Existing Contract generated over \$129.7 million in revenue in 2013. The following exhibit presents a breakdown of concession revenue by department from 2011 to 2013 and each department's average share of total concession revenue. Three departments, overnight accommodations, food and beverage, and retail/general merchandise, accounted for an average share of almost 82% of total concession revenues over this period. Total concession revenue has grown relatively steadily and at a 2.5% annual average rate since 2000. Revenue growth was 1.2% in 2011, 0.4% in 2012, and -2.3% in 2013, primarily due to the Rim Fire and 17-day Government Shutdown.



Exhibit 33. Historical Gross Receipts by Department

Department	2011	2012	2013	Average Share of Gross
Overnight Accommodations	\$50,004,147	\$50,947,845	\$48,816,615	38%
Food and Beverage	\$27,944,976	\$26,571,003	\$25,673,043	20%
Bar	\$4,881,080	\$4,614,712	\$4,462,243	4%
Retail/General Merchandise	\$29,680,402	\$29,444,982	\$29,491,028	22%
Fuel Sales and Auto Service	\$5,872,001	\$6,939,708	\$7,050,511	5%
Transportation	\$4,108,182	\$4,135,924	\$4,010,787	3%
Guided Services	\$1,132,966	\$1,110,119	\$1,264,521	1%
Other (Horses, Ski, Vending, Rentals)	\$3,858,683	\$3,843,247	\$3,837,872	3%
Total Gross Receipts	\$132,199,960	\$132,675,160	\$129,659,208	100%
Authorized Deductions	\$10,175,905	\$12,151,763	\$8,738,277	8%
Fees Paid to the Government	\$12,502,458	\$12,464,194	\$12,043,250	9%

Source: National Park Service

*Fees paid to the Government include a Franchise Fee and a Capital Improvement Account as described in the Existing Contract included as Appendix A to this Prospectus.

CHANGES IN VISITOR SERVICES BETWEEN THE EXISTING AND DRAFT CONTRACTS

The Draft Contract requires and authorizes many of the same services as provided by the Existing Contract. The Service changed the services and facilities based upon the Merced River Plan, Tuolumne River Plan, and the Restoration of the Mariposa Grove of Giant Sequoias Plan. The following summarizes the key changes to visitor services provided under the Draft Contract.

Changes to Overnight Accommodations

Location	Summary of Changes
Curry Village	Reduce tent cabins by 21 units as of day one of the Draft Contract By year 7 of the Draft Contract, add 52 hard-sided units; remove additional 52 tent cabins once construction of hard-sided units is completed for a total of 482 units
Housekeeping Camp	Reduce units by 34 (17 structures) during the term of the Draft Contract for a total of 232 units
Glen Aulin High Sierra Camp	Reduce beds by 4, as of day one, for a total of 28 beds
Merced Lake High Sierra Camp	Reduce beds by 18, as of day one, for a total of 42 beds

Changes to Food and Beverage Services

Eliminate Happy Isles Snack Stand located within Curry Village upon award of the Draft Contract.



Changes to Retail Operations

Location	Summary of Changes
Mariposa Grove of Giant Sequoias	Eliminate the Big Trees Gift Shop prior to award of the Draft Contract
Tuolumne Meadows	Upon award of the Draft Contract, eliminate the Mountaineering Shop and relocate the sporting goods sold from the Mountaineering Shop to the Tuolumne Meadows Store.
Yosemite Lodge	Upon award of the Draft Contract, eliminate the Nature Shop and reduce the Gift Shop to the winter configuration (approximately 1,800 square feet) operated under the Existing Contract.
Yosemite Village	Upon award of the Draft Contract, eliminate the Sport Shop located adjacent to the Village Grill, the Service will repurposed the space to be used by the Service as a visitor contact station. Upon award of the Draft Contract, the Gift Shop located in the Degnan's building featuring environmentally themed merchandise will be discontinued and the Concessioner will repurpose the space as described in Principal Selection Factor 2 of the Proposal Package.

Changes to Visitor Transportation System

Summary of Changes	Route/Shuttle
Eliminate the following Routes or Shuttles	Wawona to Mariposa Grove of Giant Sequoias Shuttle Yosemite Valley to Wawona Shuttle
Change the following Routes or Shuttles from Required to Authorized	Badger Pass Shuttle Tuolumne Meadows Shuttle

Changes to Automotive Services and Fuel Sales

Location	Summary of Changes
Tuolumne Meadows	Eliminate fuel sales upon award of the Draft Contract
Yosemite Valley Garage	Upon award of the Draft Contract, reduce the automotive services to emergency services only. During the term of the Draft Contract, the Service will relocate the Yosemite Valley Garage to the Government Utility Building in the NPS Maintenance Yard; after relocation, the Concessioner will move the automotive services to Crane Flat, El Portal, and Wawona Fueling stations.

Changes to Motorized Interpretive Tours

Prior to award of the Draft Contract, eliminate the Big Trees Tram Tour within Mariposa Grove of Giant Sequoias.



Changes to Guide Services

Upon award of the Draft Contract, relocate Tuolumne Meadows Mountaineering School to the Tuolumne Meadows area.

Changes to Horse and Mule Operations

Upon award of the Draft Contract, eliminate all public day rides at Tuolumne Meadows and Yosemite Valley and expand day ride services at Wawona.

Changes to Raft Rentals (Authorized Service)

Upon award of the Draft Contract, reduce number of raft rentals to 100 rafts total per day.

Changes to Ice Rink (Authorized Service)

Upon award of the Draft Contract, remove existing ice rink and place a temporary, mobile ice rink in the Curry Village area (preferred location is in the Curry Village parking lot adjacent to the orchard parking lot).

SITE VISIT

A three-day site visit of the concession operation along with a tour of Concession Facilities associated with the Draft Contract will occur on the date listed on the inside front cover of this Prospectus. At that time, an overview of the Park will be provided. All interested parties intending to attend the scheduled site visit MUST SEND AN EMAIL MESSAGE to Kimberley Gagliolo, Commercial Services Specialist at kim_gagliolo@nps.gov, no later than 12:00 p.m. Pacific Time on *July 7, 2014* to receive further instructions regarding the site visit. Due to space constraints, interested parties attending the site visit are limited to a total of eight (8) people per company or organization.

Further information and additional directions will be sent by return email message to the organization's identified primary contact.

